



## TENNESSEE HEALTH CARE CAMPAIGN

*Working for affordable access to high-quality health care for all Tennesseans*

### Saving Tennessee's Rural Hospitals: Public Policy Recommendations

#### Introduction

The survival of rural health care is at a critical juncture. Rural hospitals provide vital health services and contribute significantly to vulnerable communities' economic and social well-being. Despite playing a crucial part in the lives of many Tennesseans, rural hospitals face many challenges that jeopardize their futures.

#### Research

Over the last four years, the Tennessee Health Care Campaign has completed two research studies on our state's rural hospital crisis. For the second study, we interviewed key stakeholders in five successful rural hospitals from the Mississippi River to Appalachia, many of whom are serving in executive leadership positions. We asked them to share their insights on survival, viability, and the hospitals' ability to thrive. The public policy findings of the second study, *Saving Tennessee's Rural Hospitals*, are summarized below.

#### Key Recommendations:

- Under current incentives offered by the Centers for Medicare and Medicaid, every dollar the state of Tennessee invests in the safety net, and many it invests in TennCare for adults earning below 138% of the federal poverty level, would be matched with at least \$9 in federal funds. Tennessee needs to accept this large additional influx of federal resources for health care. Expanding Medicaid/TennCare would reduce the Tennessee uninsured rate by 27% and would lift the burden of uncompensated care on rural hospitals.
- TennCare/Medicaid, Medicare, and Medicare Advantage need to pay the cost of care for their beneficiaries in rural areas, including the fair share of sufficient funds to keep the hospitals fiscally stable. Tennessee needs to ensure that all TennCare payments cover the reasonable cost of care in rural settings.

#### Other Recommendations:

- Tennessee should incentivize and expand recruitment and retention programs for skilled professional and nonprofessional staff and community health workers needed to serve rural hospitals and emergency-care centers.
- Efficient and reliable telehealth and reliable payment mechanisms are needed, especially to increase the number of specialists in the more remote rural areas of Tennessee.
- Our state health planning and supportive financial resources need to address emergency care, obstetrical care, behavioral health, and substance misuse care deserts. They need to work with and invest in existing hospital networks to fill those gaps.
- Local government officials and community stakeholders, especially those serving on boards, need more education on the crisis in rural health care and the resources and strategies available to them to help sustain their hospitals.



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- The federal government needs to strengthen 340B drug pricing and other federal negotiation mechanisms to make needed medicines more readily available and less expensive for rural hospitals to purchase and administer.